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ABSTRACT

A college business course focusing on the opportunities, issues, problems, and challenges of doing business with companies in the Pacific Rim region is described. The course has two major components: classroom learning and field study. The classroom component includes reading large quantities of materials that relate to economies of the Pacific Rim region and its component countries. Topics covered include trade and investment opportunities and business etiquette, ethics, and practices. Each student chooses a research paper topic that emphasizes applied techniques and relies heavily on primary data about a company. A field study tour of Japan, Korea, Taiwan, Hong Kong, and the People's Republic of China follows the completion of the research papers. Visits to a number of diverse companies are included in the study tour. The field experience clarifies and supplements many of the earlier readings, and excites and motivates many students. Papers written by students after their return to the United States illustrate the value of close attention to the relationship between theory and practice. Similar courses focusing on other geographic areas are planned. (MSE)

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TOWARDS A MORE REALISTIC BUSINESS CURRICULUM

BY

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TOWARD A MORE REALISTIC BUSINESS CURRICULUM

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The need to internationalize the business curriculum for our colleges and universities is well documented. The crucial issue is how to design or modify the curriculum to make it relevant, comprehensive, practical, and imaginative in order to meet the challenges of world business in the 1990's. Among other things, such a program must accomplish the following goals :

1. Provide familiarity with the existing body of knowledge of international business and related disciplines. To this end, greater emphasis must be placed on international environmental forces, especially cross-cultural business practices.
2. Bridge the gaps between theory and practice.
3. Develop in the student special sensitivity, flexibility, desirable attitudes, and tolerance.

In my judgment, the single most important means of achieving the above-mentioned goals is to offer courses more creatively. New courses might be needed to supplement existing curricula. A recently created course at the University of La Verne entitled "Analysis of Pacific Rim Business" will be used as the illustration for this presentation. This course examines and analyzes the opportunities, issues, problems, and challenges of doing business with countries of the Pacific Rim region, exploring the significance and implications of such interaction for the United States.

There are two major components to the course : classroom learning and field study. From October to December 1987, we met as a class. Students were given voluminous reading assignments relating to the economies of the whole region as well as of individual countries. Topics covered included trade and investment opportunities, as well as business etiquette, ethics, and practices. Some of the materials provided overviews and summaries in different areas of business, while others dealt with specific issues or problems in greater depth. There were readings concerning the individual

countries we were going to visit. The class was conducted as a seminar, with the focus on integrating theory and practice.

At the beginning of the seminar, each student was required to choose a topic for the research paper, the emphasis of which was to be application rather than theory. Students were encouraged to rely heavily on primary data such as personal interviews and company documents. Many of the students contacted U.S. owned multinational companies with subsidiaries in the Far East, as well as U.S. affiliates of Far Eastern companies. Every company was very cooperative in providing valuable information and assistance. The major college and university libraries in southern California also provided us with timely publications and documents. Many trade missions and professional organizations were of great help to our students. From a myriad of sources, students were able to gather the bulk of their research materials in the United States. Any missing information, clarification, or verification was to be done in situ during the field trip to the Orient.

In January 1988, we traveled to Japan, Korea, Taiwan, Hong Kong, and the People's Republic of China for our field study. Selected companies were pre-arranged for the group to visit. The selection of companies and advanced planning were critical for the success of our study tour. Some of the criteria used in the selection of companies were :

1. Academic and practical educational value, with strong implications for American businesses.
2. Interesting and unique characteristics such as sophistication, progressiveness, dynamism, and vitality.
3. Diversity and the ability to broaden student perspectives.

Based on the above criteria, we selected two trading companies, one department store, and representative firms from the steel, automobile, electronics, plastics, and high-tech industries.

Trading companies were selected not only because they are lucrative businesses, but more importantly, because they are the main instruments for promoting a country's trade with the rest of the world. In view of our tremendous trade deficits in recent years, we definitely need help in finding ways to promote trade with other countries. Although in 1982 the United States Congress passed the Export Trading Company Act in an effort to catch up with Japan and other industrial countries in promoting trade, no institution comparable to these trading companies

exists as yet in our country. We elected to visit two of the oldest, largest most sophisticated and successful trading companies in Japan : Mitsubishi and Mitsui. Mitsubishi Trading Company, a subsidiary of Mitsubishi Corporation, was started as the Tsukumo Shokai Shipping Company in 1870 and has undergone many transformations since that time. In 1954, all the trading companies were merged under the umbrella of the Mitsubishi Corporation. Today, there are a number of companies bearing the name Mitsubishi in their respective company names, such as Mitsubishi Heavy Industries, Ltd., Mitsubishi Electric Corporation, and Mitsubishi Iron and Steel. However, each Mitsubishi company is a fully independent entity with its own management and shareholders. Business decisions are made separately by each company. As one of Japan's foremost general trading companies, Mitsubishi Corporation provides a broad array of fully integrated services designed to facilitate trade and enhance worldwide commercial development. Students were able to observe the workings of this huge trading company, which has more than 220 offices in over 80 countries, and which is constantly and aggressively expanding into new areas, such as information processing, telecommunications, biotechnology, electronics, and space technology.

The second trading company we visited, Mitsui & Co., Ltd., ranks among the world's top trading companies, with total trading transactions exceeding U.S. \$70 billion in recent years. Mitsui Company was established in 1876, with the original objective of promoting Japan's external trade, particularly the export of rice and coal. By the turn of the century, the Company and related Mitsui enterprises had developed into a zaibatsu, a large industrial and financial combine centered around a holding company. In 1959, Mitsui merged with Daiichi Bussan to form Mitsui & Co., Ltd. as it exists today. In line with Japan's postwar economic growth, Mitsui's operations have steadily expanded, leading to the establishment of an extensive global marketing and telecommunications network.

Quite different from the trading companies, but certainly equally impressive, was the Seibu Department Store, a store designed to appeal to the rich and sophisticated customer. It belongs to the Seibu Saison Group, which operates in ten areas of business : department stores, specialty stores, superstores, convenience stores, real estate and tourism, manufacturing, credit and finance, restaurants and food services, air transportation and distribution, and insurance. These stores are not designed just to be mere retail outlets, but rather to be area lifestyle information centers and focuses of urban revitalization, renovation movements, and entertainment complexes, all of which make large contributions towards

regional prosperity. The students -- and their professor -- were greatly impressed with the vastness, luxury, and complexity of the Seibu operation.

Our next stop was Nippon Kokan (NKK), the oldest private steelmaking company in Japan. NKK has played a pivotal role in Japan's industrial development and prosperity. Nippon Kokan is a unique, integrated heavy industrial enterprise which incorporates steelmaking, shipbuilding, construction, and engineering functions under one corporate body. NKK's Steel Division has two large, ultramodern, sophisticated steelworks, the combined production capacity of which (22 million metric tons) makes the company the second largest steelmaker in Japan. We visited Keihin Steel plant in the Tokyo/Yokohama industrial area, and we marveled at the streamlined facility layout, as well as the emphasis placed on comprehensive energy conservation and the unrivaled, highly advanced environmental control system.

In addition to the technological advances it affords, NKK is also a pioneer in the area of employee welfare. We observed how various programs have been implemented to help employees maintain and improve not only their health and living conditions, but also safety at their workplace. Well-equipped general hospitals, rest houses at resort areas, dormitories for single workers, apartment houses for married workers, sports and recreation centers and other facilities are provided for their employees. The company also has a system which offers financial and other benefits for those employees who plan to own their own homes.

All of us were reasonably familiar with Japanese companies prior to our trip, and our visit to Japan reinforced our positive pre-conceptions about Japanese business acumen. However, our visit to Korea provided some pleasant surprises vis-a-vis the rapid advancement of Korean business. Two of the most important of these businesses are Daewoo Automotive and Samsung Electronics.

Daewoo Motor Co., Ltd.'s roots go back to 1972, with the establishment of General Motors Korea, a joint venture between Shinjin Motor Company and General Motors. Daewoo Motor rapidly became a leading member of the Daewoo Group and an important national and international name in the automotive industry. In July 1984, Daewoo Motor reached an agreement with General Motors to develop a world-class subcompact car for the U.S. and other world markets. By 1987, the LeMans/Racer was being exported to the Middle East, Africa and South America,

as well as to the North American market. In addition to its remarkable international expansion, Daewoo also maintains a highly efficient network of sales and after-sales service offices throughout Korea. According to the company's executives, this network has been largely responsible for Daewoo's reputation as a quality manufacturer and a reliable dealer and servicer in the local market. Throughout our tour of Daewoo, we were impressed by the company's emphasis on quality and reliability.

Another relatively new company, Samsung Electronics, was a highlight of our Korean visit. Established in 1969, Samsung Electronics boasts a massive manufacturing complex, with automated lines for making parts and assembling finished goods. Samsung manufactures a wide variety of products, from home appliances to media items. The company was the first to develop the 4 mm camcorder encompassing both T.V. and camera, as well as the digital tape recorder. Samsung has now become a new rising force in the world's high technology business, and is aggressively pursuing international markets with great success. It was a revelation for the La Verne students to observe first-hand the workings of a company whose name was already quite familiar to most of them.

From Korea, we proceeded to tour another "tiger" in the Pacific Rim, Taiwan. We were anxious to observe some representative companies that helped to perform economic miracles in this newly-industrialized country. We selected China General Plastics because it is one of the fastest-growing companies in Taiwan, with a very strong international orientation. China General Plastics Corporation was established in 1964 for the purpose of producing PVC resin and fabricated products. In 1968, Gulf Oil Corporation became a major shareholder of the company, changing its name to China Gulf Plastics Corporation. But in 1982, Gulf decided to divest its overseas chemical holdings, and consequently the company once again became China General Plastics (CGPC). CGPC is a leading manufacturer of plastic products in the Republic of China. It has also formed joint-venture operations with many developed countries, including the United States, as well as engaging in many successful turnkey projects in Asia. As a result, the CGPC Group is emerging as the most internationally oriented manufacturing group in the Far East.

The science-based Industrial Park (SIP) in Hsinchu, Taiwan, is an amazing science city with enterprises involving high-tech industrial investment projects. SIP is a unique entity because it is made up of a number of high-tech companies within the same complex, all of which are encouraged to cooperate in many vital areas, including research and development. Unlike industrial parks in the United States, SIP mobilizes the resources of many academic institutions. In fact, two science and engineering universities and one research institute are located within the park. The Taiwanese government has played a large part in creating and supporting this community in which people both work and live. Many investment incentives are given to both domestic and foreign investors, including a five-year income tax holiday, deferrable for up to four years to allow for a higher return on capital intensive projects with long lead time, exemption from business tax of export sales, and other incentives to encourage research and development, pollution control, and energy conservation. By visiting SIP, students could easily observe and internalize a familiar textbook adage, namely, that we in the United States need to learn to work together rather than against each other if we are going to compete effectively in the world markets.

This field experience has clarified and supplemented many of our readings. Further, it has awakened, excited, and motivated many of the participants, providing the stimulus for quite a number of students to do something significant professionally and personally. Upon our return to the United States at the end of January, students were given a couple of weeks to complete their research projects. The topics ranged from the U.S. competitive position in the Far East to trading companies, the quality circle, worker motivations, and comparative compensation systems. I was very pleased with the caliber of the students' reports, especially the new insights and understanding that they gained from the field experience. The clarification and correlations between theory and practice came across very clearly in their reports.

In addition to visiting business establishments, we experienced very diverse sights and sounds of each country on our itinerary. Cultural, educational, and religious institutions and monuments were included in our sightseeing activities. We mingled with people from all walks of life as well. We were invited by families into their homes. All these experiences helped us to understand others better and to learn to deal with our global neighbors from new perspectives.

I am convinced that this type of learning is most realistic, timely, and beneficial for the students, helping them to compete more effectively in the dynamic business world of the future. I plan to continue to offer courses that involve both classroom learning and field experience. Since the Pacific Rim region is such a growing and prosperous area, I plan to concentrate on different parts of this exciting region. In the near future, I hope to organize separate study tours to Southeast Asia, Australia and New Zealand, and the west coast of Latin America, thus integrating the empirical with the theoretical knowledge in a way that is meaningful to the student participants as well as consonant with our institutional goal of a truly internationalized business curriculum.